

PETER C. ANDERSON
UNITED STATES TRUSTEE
Jill M. Sturtevant
Assistant United States Trustee
Noreen A. Madoyan, SBN 279227
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UNITED STATES BANKRUPTCY COURT
CENTRAL DISTRICT OF CALIFORNIA
LOS ANGELES DIVISION

In re

CRESTLLOYD, LLC,

Debtor.

Case No. 2:21-bk-18205-DS

Chapter 11

**OBJECTION TO NOTICE OF INSIDER
COMPENSATION**

Hearing Date

Date: HEARING TO BE SET

Time:

Place: Courtroom 1639

255 E. Temple St.

Los Angeles, CA 90017

TO THE HONORABLE DEBORAH SALTZMAN, UNITED STATES BANKRUPTCY
JUDGE, DEBTOR, DEBTOR'S ATTORNEY OF RECORD, AND OTHER INTERESTED
PARTIES:

The United States Trustee, hereby submits his Objection (the "Objection") to the Debtor's
Notices of Setting/Increasing Insider Compensation, as set forth below.

In its Notice (the "Notice") of Setting/Increasing Insider Compensation (a copy of which is
attached hereto as Exhibit A), the Debtor seeks to pay its insider, SierraConstellation Partners
LLC/Lawrence R. Perkins ("SCP") an indeterminate amount. More specifically, the Notice
indicates the following information: SCP is a non-member manager who has been working with

1 the Debtor for only a limited period of period – since October 21, 2021. The total amount of
2 compensation is also not disclosed, but rather the hourly rates for all members of SCP are
3 disclosed in a range from \$750/hr for managing partners to \$235/hr for associates. SCP anticipates
4 working at minimum 40 hours a week, and fees shall be paid weekly upon receipt of invoice. No
5 anticipated monthly or weekly outlook of fees to be expended has been provided in the Notice.

6 As to the duties of SCP during the bankruptcy, the Notice reveals that as the manager of
7 the Debtor, SCP will handle the management of the primary asset of the Debtor (a parcel of real
8 property), including the marketing and assist in the bankruptcy case, including assisting
9 bankruptcy counsel. On its face, it appears that SCP will complete the work of a real estate broker
10 and perhaps conduct the same work that bankruptcy counsel is conducting, however there is no
11 disclosure as to how and why SCP is qualified to do such work, and if SCP is perhaps in fact
12 doing such work in lieu of a real estate broker and/or bankruptcy counsel.

13 The United States Trustee raised concerns about the Notice, notably asking for a budget
14 and prior billing statements from SCP to determine if the compensation sought (a figure for which
15 was not provided) was appropriate. The response was even more concerning as no monthly budget
16 was provided for October – December 2021 – rather just a figure of \$414,216. It is unclear why
17 SCP requires such a large amount for the first two (2) months of the case¹. With respect to the
18 months January-May 2022, again, no basis for the figures used is provided, and monthly figures
19 ranging from \$69,840 to \$202,450 are proposed. Again, it is unclear why SCP is seeking such
20 excessive figures for the “management and completion of the Debtor’s real property and the
21 marketing and sale thereof”; and “directing and assisting bankruptcy counsel in the case.” *See*
22 Notice, Question 6.

23 While the United States Trustee understands the Debtor’s primary asset is a unique parcel
24 of real property, there is no information or basis in the Notice for the amounts requested by SCP
25 and the work to be completed.

26
27 ¹ This case was filed on October 26, 2021 (the “Petition Date”) and the budget provided by the
28 Debtor is also unclear if the period for October – December 2021, includes pre-Petition Date
amounts.

1 WHEREFORE, for the reasons stated above, the United States Trustee objects to any
2 payment to the insider and requests the Notice of Insider Compensation to be set for hearing.

3
4 Dated: November 16, 2021

PETER C. ANDERSON
UNITED STATES TRUSTEE

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7 By: /s/ Noreen A. Madoyan
8 Noreen A. Madoyan
9 Attorney for the United States Trustee
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EXHIBIT A

Attorney Name, Address, Telephone and FAX DAVID B. GOLUBCHIK (SBN 185520) TODD M. ARNOLD (SBN 221868) LEVENE, NEALE, BENDER, YOO & GOLUBCHIK L.L.P. 2818 La Cienega Avenue Los Angeles, California 90034 Telephone: (310) 229-1234 Facsimile: (310) 229-1244 Email: dbg@lnbyg.com; tma@lnbyg.com	File with U.S. TRUSTEE Only
UNITED STATES BANKRUPTCY COURT CENTRAL DISTRICT OF CALIFORNIA	
In re: / CRESTLLOYD, LLC, <div style="text-align: right;">Debtor(s)</div>	Chapter 11 Case Number 2:21-bk-18205-DS
NOTICE OF SETTING/INCREASING INSIDER COMPENSATION	

1. Name of Insider:	SierraConstellation Partners LLC/Lawrence R. Perkins ("SCP")
2. Relationship to Debtor (i.e. owner, partner, officer, director, shareholder).	Non-Member Manager
3. Date when relationship with Debtor commenced:	October 21, 2021
4. Position title:	Non-Member Manager
5. Position Description:	Non-Member Manager (see also Item 6)
6. Assigned Duties:	Act as the Manager of the Debtor, including in connection with (1) the operation of the Debtor's business, including the management and completion of the Debtor's real property and the marketing and sale thereof, and (2) the Debtor's bankruptcy case and directing and assisting bankruptcy counsel in the case. Preparing and assisting in the preparation of bankruptcy compliance documents.
7. Date employed in current position:	October 21, 2021
8. If previously employed by Debtor within past two years in a different position, state position(s) and date(s).	N/A
9. Number of hours worked per week:	40+ as needed
10. Total amount of compensation and payment interval:	Variable based on hours worked - Lawrence Perkins as Manager: \$790/hr.; Partners: \$790/hr. to \$885/hr.; Managing Directors: \$605/hr. to \$685/hr.; Directors: \$420/hr. to \$525/hr.; Associates: \$235/hr. Paid weekly upon receipt of Invoice.
11. Breakdown of compensation (specify amount and payment interval).	See Item 10
Salary:	See Item 10
Perquisites (total, detail below):	N/A

Car Allowance:	N/A
Medical Insurance:	N/A
Life Insurance:	N/A
Business Expenses:	See "Other" below
Other (Specify):	All reasonable, actual out-of-pocket expenses incurred in connection with or related to services provided, including but not limited to the fees and expenses of counsel retained to advise on services that concern the Debtor, airfare, hotel, car rental, photocopying charges, telephone calls, postage, shipping, meals, report preparation, delivery services, and other costs.
12. Identify the source of the funds to be used to pay compensations specified in No. 10:	Debtor's revenue, post-petition financing, and/or post-petition capital contributions. In addition, SCP was paid a \$50,000 pre-petition retainer by Juliani Art Ventures, LLC. SCP is informed that (1) Juliani is ultimately controlled by Nile Miami, who formed the Debtor and still has a beneficial interest in the Debtor and (2) the foregoing payment to SCP by Juliani was treated a capital contribution to the Debtor. SCP will draw on such retainer, including any replenishments thereof by Juliani, to pay invoices.
13. Date and amount of last increase in compensation:	N/A
14. Identify any creditor who asserts a security interest (whether or not Debtor disputes the validity thereof) in the receipts generated by the operation of the Debtor's business and the amount of its claim:	Hankey Capital, LLC; Inferno Investment Inc.; YOGI Securities Holdings, LLC; and Hildun Corporation;
15. Specify all compensation, perquisites, loans, benefits etc. received by insider from the Debtor during the twelve month period immediately preceding the filing of the Chapter 11 Petition (Attach W-2, 1099, Individual Payroll Cards and other related forms):	N/A
Compensation:	N/A
Loans:	N/A
Perquisites (Specify):	N/A

I declare under penalty of perjury that the answers contained in the foregoing Notice are true and correct.

Dated: October 27, 2021

CRESTLLOYD, LLC



SIERRACONSTELLATION PARTNERS LLC, AS MANAGER,
BY LAWRENCE R. PERKINS, AS ITS AUTHORIZED SIGNATORY

Attach proof of service on Creditors= Committee or the Twenty Largest Creditors if no committee has been formed, and to any secured creditors that claim an interest in cash collateral.

If this notice pertains to setting compensation, it must be filed and served fifteen days before any pay out of compensation, although compensation may be accrued during this period.

If this notice pertains to an increase in compensation, it must be filed and served thirty days before the date when the proposed increase takes effect.

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is 10250 Constellation Boulevard, Suite 1700, Los Angeles, CA 90067.

A true and correct copy of the foregoing document entitled **NOTICE OF SEETING//INCREASING INSIDER COMPENSATION** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF): Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On **October 28, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

N/A

2. SERVED BY UNITED STATES MAIL: On **October 28, 2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

☒ Service information continued on attached page

3. SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on **October 28, 2021**, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

October 28, 2021
Date

Lourdes Cruz
Type Name

/s/ Lourdes Cruz
Signature

In re Crestlloyd, LLC
Insider Comp Service List
File No.: 9562

Noreen A Madoyan
Office of the United States Trustee
915 Wilshire Blvd., Suite 1850
Los Angeles, CA 90017

Biabani & Associates, Inc.
Attn: Alex Biabani
1600 Sawtelle Bl #104
Los Angeles, CA 90025

Bradford Sheet Metal
4164 Sopp Road
Mojave, CA 93501

Branden Williams
257 N. Cannon Dr., 2nd Fl.
Beverly Hills, CA 90210

C.G.S. Custom Glass Specialists
Attn: Tom Yang
4536 Ish Drive
Simi Valley, CA 93063

CAD Stone Works Inc.
Attn: Cesar Hernandez
4533 Van Nuys Bl. #201
Sherman Oaks, CA 91403

Centurion Air, LLC
Attn: Michael T. Pyle
13932 Arrow Creek Road
Draper, UT 84020

Davidson Accountancy Corp.
William N. Davidson, CPA
14011 Ventura Blvd., Ste. 302
Sherman Oaks, CA 91423

Creative Art Partners
6542 Hayes Dr.
Los Angeles, CA 90048

Crest Real Estate
Attn: Jason Somers
11150 Olympic Bl. #700
Los Angeles, CA 90064

Draken Security
Attn: Jamie Salanga
8225 Encino Ave
Northridge, CA 91325

Dennis Palma
146 Beach Way
Monterey, CA 93940

Italian Luxury Design
4 NE 39 St.
Miami, FL 33137

Jabs Pools and Spas, LLC
Attn: Georgina Rendon
8055 Matilija Ave.
Panorama City, CA 91402

Vesta (aka Showroom Interiors, LLC)
Attn: Julian Buckner
8905 Rex Road
Pico Rivera, CA 90660

KN Coating
201 E. Tamarack Ave
Inglewood, CA 90301

LA DWP
P.O. Box. 30808
Los Angeles, CA 90030

West Valley Green Landscaping, Inc.
14761 Tupper St.
Panorama City, CA 91402

Made by TSI, Inc.
888 Biscayne Blvd #209
Miami, FL 33132

Midland Contractors, Inc.
Attn: Bruce Partovi
Po Box 8312
Van Nuys, CA 91409

West Coast Gates
339 Isis Ave.
Inglewood, CA 90301

Counsel to Hankey Capital
Jeffer Mangels Butler & Mitchell LLP
Thomas M. Geher/Robert Kaplan
Neil Erickson/Benjamin Reznik
1900 Avenue of the Stars, 7th Floor
Los Angeles, CA 90067

Inferno Investment Inc.
Attn: Julien Remillard, President
4-95 Kandahar, Mont Tremblant
Quebec J8E 1E2
Canada

YOGI Securities Holdings, LLC
Steve Oshins, Authorized Agent
1645 Village Center Circle, Ste. 170
Las Vegas, NV 89131

YOGI Securities Holdings, LLC
c/o Daniel Wiesel, Esq.
Wolf, Rifkin, Shapiro, Schulman & Rabkin,
LLP
11400 W. Olympic Blvd., 9th Fl.
Los Angeles, CA 90064-1582

Hilldun Corporation
Jeffrey D. Kapelman, CEO
225 West 35th St.
New York, NY 10001

PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:
915 Wilshire Blvd., Suite 1850, Los Angeles, California 90017-3560

A true and correct copy of the foregoing document entitled (*specify*): : **OBJECTION TO DEBTOR'S AMENDED NOTICE OF INSIDER COMPENSATION** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner stated below:

1. **TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (NEF)**: Pursuant to controlling General Orders and LBR, the foregoing document will be served by the court via NEF and hyperlink to the document. On (*date*) **November 16, 2021**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following persons are on the Electronic Mail Notice List to receive NEF transmission at the email addresses stated below:

☒ Service information continued on attached page

2. **SERVED BY UNITED STATES MAIL**:

On (*date*) **November 16, 2021**, I served the following persons and/or entities at the last known addresses in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States mail, first class, postage prepaid, and addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

Debtor: Crestlloyd, LLC, c/o SierraConstellation Partners LLC, 355 S. Grand Avenue Suite 1450, Los Angeles, CA 90071

☐ Service information continued on attached page

3. **SERVED BY PERSONAL DELIVERY, OVERNIGHT MAIL, FACSIMILE TRANSMISSION OR EMAIL** (state method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on (*date*) _____, I served the following persons and/or entities by personal delivery, overnight mail service, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on, or overnight mail to, the judge will be completed no later than 24 hours after the document is filed.

☐ Service information continued on attached page

I declare under penalty of perjury under the laws of the United States that the foregoing is true and correct.

November 16, 2021 Noreen A. Madoyan
Date Printed Name

/s/ Noreen A. Madoyan
Signature

ADDITIONAL PARTIES SERVED VIA NEF:

- **Kyra E Andrassy** kandrassy@swelawfirm.com, lgarrett@swelawfirm.com;gcruz@swelawfirm.com;jchung@swelawfirm.com
- **Todd M Arnold** tma@lnbyg.com
- **Thomas M Geher** tmg@jmbm.com, bt@jmbm.com;fc3@jmbm.com;tmg@ecf.inforuptcy.com
- **David B Golubchik** dbg@lnbyg.com, stephanie@lnbyb.com
- **James Andrew Hinds** jhinds@hindslawgroup.com;mduran@hindslawgroup.com, mduran@hindslawgroup.com
- **Robert B Kaplan** rbk@jmbm.com
- **Jane G Kearl** jkneeland@watttieder.com;mdevoll@watttieder.com
- **Michael S Kogan** mkogan@koganlawfirm.com
- **Noreen A Madoyan** Noreen.Madoyan@usdoj.gov
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- **David Seror** dseror@bg.law, ecf@bg.law
- **Zev Shechtman** zshechtman@DanningGill.com, danninggill@gmail.com;zschechtman@ecf.inforuptcy.com
- **Lindsey L Smith** lls@lnbyb.com, lls@ecf.inforuptcy.com
- **United States Trustee (LA)** ustpreion16.la.ecf@usdoj.gov
- **Jessica Wellington** jwellington@bg.law, ecf@bg.law